



# COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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JAMES F. STAHL  
Chief Engineer and General Manager

December 1, 2005

File: 31-150.13.10

Boards of Directors  
County Sanitation Districts  
Nos. 27 and 35 of Los Angeles County

Directors:

The consolidated agenda includes the following items for the regular meetings of the Boards of Directors of the Districts meeting Tuesday, December 13, 2005.

1. Certificate of Presiding Officer/Chairperson Pro Tem. The new Chair and Chair Pro Tem of the Board of Supervisors automatically become the Chairperson and Chairperson Pro Tem of the Boards of Directors of these Sanitation Districts.

2. Approval of Minutes. Copies of the minutes have been provided to each of the Directors.

3. Approval of Departmental Invoices. A departmental invoice is an internal document that transfers each District's proportionate share of expenditures made by District No. 2, the administrative District, on behalf of the participating Districts in accordance with authority granted through joint agreements. During the month, charges are made to a clearing account which is administered by District No. 2 and then are distributed at month end according to said agreements.

4. Approve Plans and Call for Bids for Pumping Plants--Group VI, Modifications of Electrical, Control, and Telemetry Systems; Authorize Chief Engineer and General Manager to Establish Date for Receipt of Bids (3). The proposed project includes replacement of the existing electrical, control, and telemetry systems at District 27, District 32 Main Relief Trunk, Green Lane, LaSalle Avenue, Long Beach Water Reclamation Plant (WRP) Interceptor, Pomona Nos. 2 and 4, Rocket Street, and Ruther Avenue Pumping Plants, the locations of which are shown on the attached map. The systems are obsolete, deteriorating, and difficult to maintain due to the unavailability of spare parts. The Ruther Avenue Pumping Plant is owned by District No. 2; Rocket Street Pumping Plant is owned by District No. 3; Green Lane and LaSalle Avenue Pumping Plants are owned by District No. 5; District 27 Pumping Plant is owned by District No. 27; District 32 Main Relief Trunk Pumping Plant is owned by Santa Clarita Valley Sanitation District; Long Beach WRP Interceptor Pumping Plant is owned by the Joint Outfall System; and Pomona Nos. 2 and 4 Pumping Plants are owned by the City of Pomona and operated and maintained by the Joint Outfall System. Therefore, actions by Districts Nos. 2, 3, 5, 27, and Santa Clarita Valley Sanitation District are required to effectuate the work. Bids will be taken on a lump sum basis that will afford an economy of scale that would not be achieved if bids were taken individually. The bids will be structured to identify the costs associated with each plant, so that the total costs can be apportioned in accordance with each District's ownership.

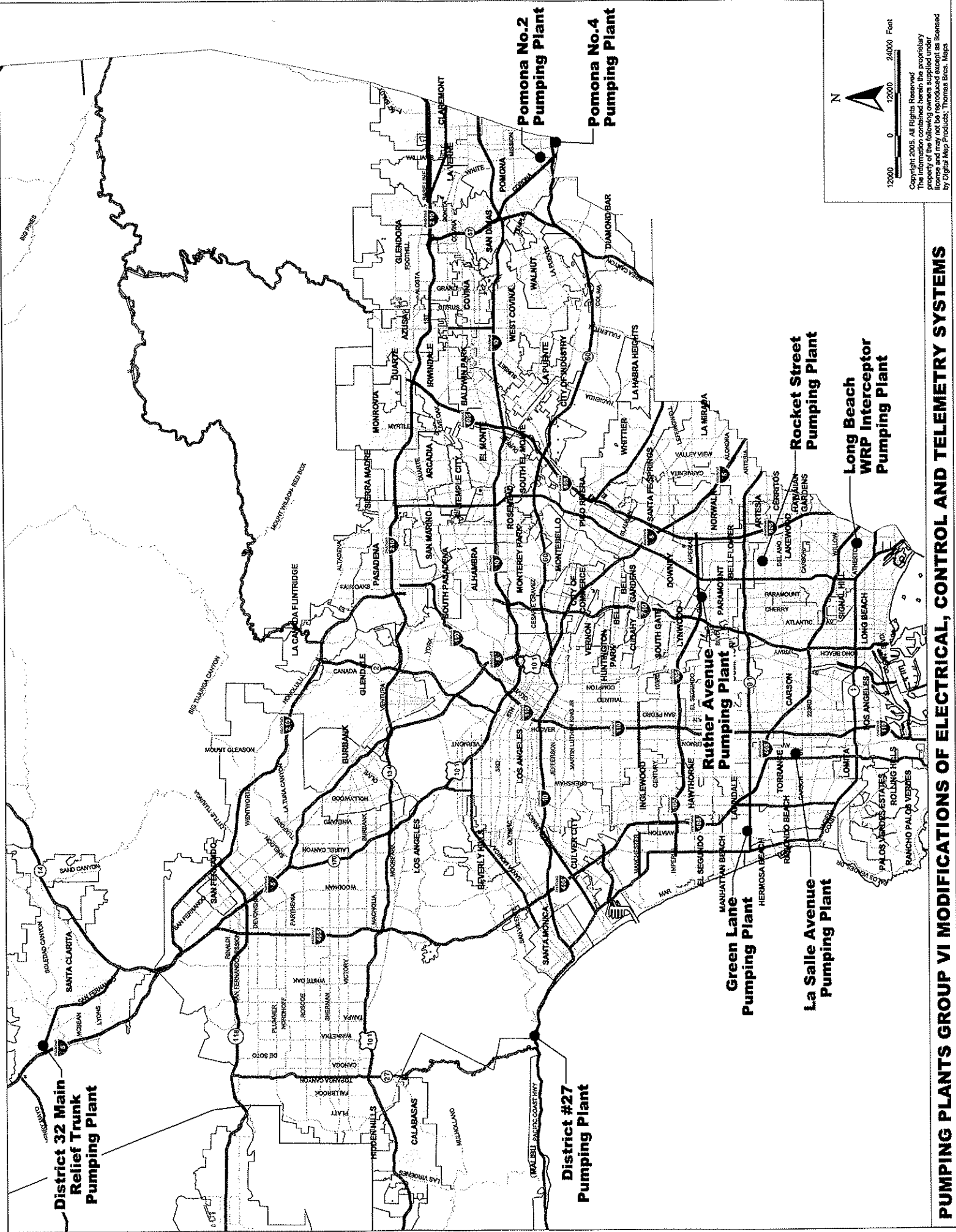
5. Approve Investment Policy and Renew Delegation of Authority to District Treasurer. In accordance with the California Government Code the District annually reviews its investment policy and delegation of authority to the District Treasurer (Chief Engineer and General Manager) to invest and reinvest District funds or to sell or exchange securities. A copy of the District investment policy is attached and no changes are being recommended. The matter has been discussed with the Personnel Committee, comprised of the Chairperson of each District Board, which unanimously recommended the proposed action.

Yours very truly,

James F. Stahl

JFS:MAH:dk  
Enclosures

cc: B. Richard Marsh  
Samantha Bricker  
Paul Novak  
Norm Hickling  
Executive Office (8 copies, one for PRESS with minutes of 9/13/2005 meetings attached)



**County Sanitation District No. \_\_\_\_\***

**of**

**Los Angeles County**

**\*Same Policy for Districts Nos. 17, 27, and 35**

***Investment Policy***

**Effective \_\_\_\_\_**

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## **Investment Policy**

### **County Sanitation District No. \_\_\_\_ of Los Angeles County**

#### **Policy Statement:**

This investment policy of County Sanitation District No. \_\_\_\_ of Los Angeles County (District) provides for the prudent investment of the District's funds and the efficient management of investment activities. It is intended that this policy cover all investment activities under the direct control of the District.

#### **Prudent Investor Standard:**

This policy shall be implemented in accordance with the standard for governing bodies or persons authorized to make investment decisions on behalf of public bodies. This standard is set forth in Section 53600.3 of the Government Code which, effective January 1, 1997, provides in part:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

#### **Authority:**

By prior action of the District's Board of Directors the Chief Engineer and General Manager is the Fiscal Officer of the District and by this action is formally appointed Treasurer of the District. The District's Board of Directors hereby delegates to the Treasurer the authority to manage, deposit and invest District funds in accordance with this policy and all provisions of law. The District Treasurer shall develop procedures to fully implement this policy in accordance with this delegation of authority, and shall report to this Board in accordance with the requirements of law and this investment policy.

### **Investment Objectives:**

This policy shall also be implemented in accordance with the legislative direction concerning objectives of a trustee. This standard is set forth in Section 53600.5 of the Government Code, which, effective January 1, 1997, provides in part:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.”

**Safety of Principal:** In safeguarding the principal of District funds the District Treasurer shall evaluate or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral, and shall diversify the portfolio to reduce exposure to loss.

**Liquidity:** In order to meet the District’s liquidity needs, investments shall be made so that maturity dates are compatible with cash flow requirements, and when required, permit easy and rapid conversion into cash.

**Return on Investments:** Investments shall be undertaken to produce a market rate of return after first considering safety of principal and liquidity.

### **Investment Placement:**

The District Treasurer will continue to invest District funds with the County of Los Angeles, both in the Pooled Surplus Investment Fund and in specific investments purchased through the Los Angeles County Treasurer, and also with the State of California Local Agency Investment Fund. The District Treasurer shall continuously evaluate the District’s cash flow requirements and when it is determined that funds are available for longer term investments, the District Treasurer shall, after conferring with the Los Angeles County Treasurer, purchase specific investments through the Los Angeles County Treasurer consistent with the financial needs of the District.

### **Investment Safekeeping:**

With respect to specific investments, to ensure a high degree of internal safety all certificates or other evidence of securities or other investments purchased for the District shall be held for safekeeping by the Los Angeles County Treasurer, in a manner that reflects the District’s ownership.

**Maximum Maturities:**

The District Treasurer shall match investments with anticipated cash flow requirements. The District Treasurer will not invest in securities maturing more than five (5) years from the date of purchase unless approved by the District's Board of Directors, either specifically or as a part of an investment program, at least (3) months prior to purchase.

**Reporting Requirements:**

In accordance with Government Code Section 53646, the District Treasurer shall prepare and submit a quarterly report to the Board of Directors. The quarterly report shall comply with applicable law and shall in any event include the security type, issuer, investment yield, date of maturity, par value, amount invested, current market value and source of this valuation. Any investments in state or local county pools will be included with a summary of its most recent investment statement.

**Internal Control:**

In addition to the certified public accountant's yearly independent audit of the District, quarterly audits of the investment portfolio shall be conducted by the District's Chief Accountant to ensure compliance with the investment policy and procedures provided for hereby.

**Investment Policy Adoption:**

This policy shall be reviewed on an annual basis and any modifications made thereto shall be approved by the District's Board of Directors. Prior to such review, the matter will be referred to the Personnel Committee (comprised of the Chairperson of each Board) for its consideration.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_ .

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICTS  
NOS. 27 AND 35

To be held in the HEARING ROOM  
OF THE BOARD OF SUPERVISORS  
Kenneth Hahn Hall of Administration, Los Angeles, California

TUESDAY		December 13, 2005		At 9:30 A.M.
BRATHWAITE BURKE	KNABE	ANTONOVICH (Chairperson)	MOLINA	YAROSLAVSKY

1. Recommendation: Receive and order filed certificate of the Presiding Officer of the Board of Supervisors and the action electing the Chairperson Pro Tem (both Districts).
2. Recommendation: Approve minutes of the regular meetings held September 13, 2005 (both Districts).
3. Recommendation: Approve departmental invoices as follows:

	<u>August</u>	<u>September</u>	<u>October</u>
District 27 (3)	\$2,725.96	\$6,633.04	\$7,831.36
District 35 (5)	249.04	177.81	317.18

4. Recommendation: Approve plans and call for bids for Pumping Plants—Group VI, Modifications of Electrical, Control, and Telemetry Systems; authorize Chief Engineer and General Manager to establish date to receive bids (3)
5. Recommendation: Approve Investment Policy and renew delegation of authority to District Treasurer for County Sanitation District No. 27 (3) and County Sanitation District No. 35 (5) of Los Angeles County

Adjourn

DISTS. 27 AND 35

DECEMBER 13, 2005



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY  
**DEPARTMENTAL INVOICE**  
FOR THE MONTH ENDED 08/31/05

To: County Sanitation District No. 27  
(Org. Receiving Services)

Date Service Accrued: Aug. 31, 2005

From: County Sanitation District No. 2  
(Org. Providing Services)

Date Prepared: Sep. 19, 2005

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DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 2,240.14
Joint Administration - Capital	50.01
Local - Capital	435.81

Total of all charges	<u>\$ 2,725.96</u>
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Recap 014

Document No. 570

Date Board Approved: \_\_\_\_\_

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY  
**DEPARTMENTAL INVOICE**  
FOR THE MONTH ENDED 08/31/05

To: County Sanitation District No. 35  
(Org. Receiving Services)

Date Service Accrued: Aug. 31, 2005

From: County Sanitation District No. 2  
(Org. Providing Services)

Date Prepared: Sep. 19, 2005

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DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	199.07
Joint Administration - Capital		49.97

Total of all charges	\$	<u>249.04</u>
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Recap 014

Document No. 576

Date Board Approved: \_\_\_\_\_

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

**DEPARTMENTAL INVOICE**

FOR THE MONTH ENDED 09/30/05

To: County Sanitation District No. 27  
(Org. Receiving Services)

Date Service Accrued: Sep. 30, 2005

From: County Sanitation District No. 2  
(Org. Providing Services)

Date Prepared: Oct. 20, 2005

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DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	1,696.31
Joint Administration - Capital		19.13
Local - Improvement		4,917.60

Total of all charges	\$	<u>6,633.04</u>
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Recap 021

Document No. 609

Date Board Approved: \_\_\_\_\_

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY  
**DEPARTMENTAL INVOICE**  
FOR THE MONTH ENDED 09/30/05

To: County Sanitation District No. 35  
(Org. Receiving Services)

Date Service Accrued: Sep. 30, 2005

From: County Sanitation District No. 2  
(Org. Providing Services)

Date Prepared: Oct. 20, 2005

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DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	158.55
Joint Administration - Capital		19.26

Total of all charges	\$	<u>177.81</u>
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Recap 021

Document No. 615

Date Board Approved: \_\_\_\_\_

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY  
**DEPARTMENTAL INVOICE**  
FOR THE MONTH ENDED 10/31/05

To: County Sanitation District No. 27  
(Org. Receiving Services)

Date Service Accrued: Oct. 31, 2005

From: County Sanitation District No. 2  
(Org. Providing Services)

Date Prepared: Nov. 15, 2005

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DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	2,188.22
Joint Administration - Capital		88.04
Local - Capital		5,555.10

Total of all charges	\$	<u>7,831.36</u>
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Recap 028

Document No. 648

Date Board Approved: \_\_\_\_\_

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY  
**DEPARTMENTAL INVOICE**  
FOR THE MONTH ENDED 10/31/05

To: County Sanitation District No. 35  
(Org. Receiving Services)

Date Service Accrued: Oct. 31, 2005

From: County Sanitation District No. 2  
(Org. Providing Services)

Date Prepared: Nov. 15, 2005

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DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	228.99
Joint Administration - Capital		88.19

Total of all charges	\$	<u>317.18</u>
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Recap 028

Document No. 654

Date Board Approved: \_\_\_\_\_